

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

First Northwest Mortgage Corporation, and

Christopher J. Nickel, President and Designated
Broker,

Respondents.

NO. C-02-194-03-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Acting Director, Division of Consumer Services, First Northwest Mortgage Corporation (hereinafter as "First Northwest"), and Respondent Christopher J. Nickel (hereinafter as "Nickel") (collectively "Respondents") and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

I. AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-02-194-03-SC01, entered July 24, 2003, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve Statement of Charges No.

1 C-02-194-03-SC01, entered July 24, 2003, and agree that Respondent's have not admitted wrongdoing by its entry.
2 The Respondents are agreeing to not contesting said Charges in consideration of the terms of this Consent Order.

3 Based upon the foregoing:

4 A. It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed
5 herein.

6 B. It is AGREED that the parties shall be bound by the terms and conditions of this Consent Order as set
7 forth herein.

8 C. It is AGREED that Respondents have been informed of the right to a hearing before an administrative law
9 judge, and that they have waived their right to a hearing and any and all administrative and judicial review of the issues
10 raised in this matter, or of the resolution reached herein.

11 D. It is AGREED that Respondents shall make restitution to consumers in the amount of \$27,983.80 and
12 provide the Department with written proof of such payment. If restitution cannot be made to any particular consumer,
13 Respondents shall take the necessary steps to escheat such funds to the state and provide the Department with written
14 proof of such action. The "written proof" at a minimum must consist of copies of the front and back of cancelled
15 checks.

16 E. It is AGREED that Respondents shall pay a fine of \$5,000.00 to the Department upon entry of this order.
17 Entry of this order is the date upon which the order is signed by the Director's designee.

18 F. It is AGREED that Respondents shall pay an examination fee of \$2,313.00, calculated at \$46.26 per hour
19 for 50 staff hours devoted to the investigation.

20 G. It is AGREED that First Northwest, its principal, officers, directors, and employees and Nickel shall
21 continue to fully cooperate and shall provide the Department truthful and complete sworn statements outlining
22 activities with respect to First Northwest Mortgage Corporation, Acumen Group LLC dba Smokey Point
23 Mortgage, and any and all persons involved or in any way associated with these companies, including but not
24 limited to the employees, businesses and persons with whom the companies dealt, communicated, or otherwise

1 related. The “sworn statements” may take the form of affidavits, declarations, or deposition testimony, at the
2 Department’s discretion.

3 H. It is AGREED that First Northwest, its principals, officers, directors, and employees and Nickel
4 shall continue to cooperate fully, truthfully and completely with the Department and provide any and all
5 information known relating in any manner to First Northwest Mortgage Corporation, Acumen Group LLC dba
6 Smokey Point Mortgage, and any and all persons involved or in any way associated with these companies,
7 including but not limited to employees, businesses and persons with whom the companies dealt, communicated, or
8 otherwise related. It is further AGREED that First Northwest, its principals, officers, and directors and Nickel
9 shall provide any and all documents, writings or materials, or objects or things of any kind in their possession or
10 under their care, custody, or control relating directly or indirectly to all areas of inquiry and investigation. A
11 failure to cooperate fully, truthfully and completely is a breach of this Consent Order. It is further AGREED that
12 First Northwest, its principals, officers, directors, and employees and Nickel testify fully, truthfully and
13 completely at any proceeding related to the Department’s investigation and enforcement actions related to this
14 matter.

15 I. Respondents AGREE it is their responsibility to comply with the Mortgage Broker Practices Act and the
16 rules adopted thereunder, particularly the provisions relating to licensure of branches, and AGREE to fulfill this
17 responsibility.

18 J. It is AGREED that Respondents understand that failure to abide by the terms and conditions of this
19 Consent Order may result in further legal action by the Director. In the event of such legal action, Respondents
20 may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not
21 limited to, attorney fees.

22 K. It is AGREED that the conduct giving rise to the issuance of the above-referenced Statement of Charges
23 will not be considered by the Department in the assessment of any current or future applications for mortgage broker
24 licenses (main or branch) in the state of Washington, in the event First Northwest wishes to pursue such application.

1 L. Upon the payment to the Department of the sums required pursuant to paragraphs E and F above, and the
2 deposit of funds required under paragraph D above with their attorney to be released only to the consumers or escheated
3 to the state of Washington, the Department, so long as all the licensing requirements are met, will grant the pending
4 licenses for branch locations of the Respondents.

5 M. It is AGREED that the undersigned have represented and warranted that they have the full power and right
6 to execute this Consent Order on behalf of the parties represented.

7 N. It is AGREED that the undersigned Respondents have voluntarily entered into this Consent Order, which is
8 effective when signed by the Director's designee.

9 O. It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and
10 agree to all of the same.

11 **RESPONDENTS:**

12 **First Northwest Mortgage Corporation**

13 By:

14 /S/ _____ 10/1/03 _____
15 Signature Date

16 Christopher J. Nickel - President _____
17 Print Name and Title

18 **Christopher J. Nickel**

19
20 /S/ _____ 10/1/03 _____
21 Signature Date

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THIS ORDER ENTERED THIS _2nd_ DAY OF _October_, 2003.

/S/_____
Chuck Cross, Acting Director
Division of Consumer Services
Department of Financial Institution